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UNCLAS KUWAIT 004459

SIPDIS

STATE FOR NEA/ARPI SWALKER, LONDON FOR LTSOU

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TAGS: [PGOV](#) [PREL](#) [KU](#)

SUBJECT: KUWAIT FUND UPDATE ON GOK ASSISTANCE TO PALESTINIANS

REF: A. KUWAIT 3850

[B](#). KUWAIT 3867

[C](#). KUWAIT 4105

[1](#)1. (U) EconOff met on October 16 with Marwan Al-Ghanem, Regional Manager for Arab Countries at the Kuwait Fund for Arab Economic Development (KFAED), for an update on the latest GOK figures on economic assistance to Palestinians. Al-Ghanem provided the following breakdown of GOK economic assistance to the Palestinian Authority (PA) in support of governance and reconstruction in the Palestinian territories:

- a) \$25M grant in December 2003 to the World Bank's Peace Fund
  - \$21M for PA operational expenses
  - \$ 2M for resettlement of Palestinian refugees from the "Canadian Camp" in Sinai to the West Bank and Gaza
  - \$ 2M for school reconstruction
- b) \$25M grant in December 2000 with the Arab Fund
  - Funds allocated for educational and health projects (see reftel B para 2 for details)
- c) \$171M grant Al-Aqsa and Al-Quds funds (Islamic Development Bank)
  - \$150M disbursed in 2000
  - \$ 21M disbursed in 2005

[1](#)2. (U) Al-Ghanem added that although KFAED could not extend concessional loans to the PA it is considering grants valued at approximately \$1M for feasibility studies on infrastructure development. The offer is pending final approval by KFAED's management board before it is submitted to the PA for consideration. (Note: Al-Ghanem explained that the PA is not an internationally recognized sovereign and therefore lacks the legal identity to qualify for KFAED loans).

[1](#)3. (SBU) Al-Ghanem suggested that the Saudi Fund and Arab Fund are better positioned than KFAED to provide additional financial assistance to the PA. Al-Ghanem expressed satisfaction with the rapport he has developed with his counterparts and interlocutors in the PA Planning Ministry. LEBARON